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A Record of Good Government

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Premier of Alberta

This supplement has been prepared in order that the farm people of Alberta and other readers of *The U.F.A.* may obtain accurate knowledge of the manner in which the affairs of the Province have been conducted by the U.F.A. administration.

In pamphlet form, this condensed survey of the conduct of public business by the Provincial Government, since 1921, was placed in the hands of electors in the Provincial constituency of Camrose during the period of the recent by-election activities. Upon the strength of the information herein set forth, and the ability and record of devoted service, of Chester A. Ronning, the U.F.A. candidate, and his declared adherence to the advanced policies of the Association, Mr. Ronning was elected by a substantial majority on October 25th.

The supplement provides an effective answer to critics of the administration who have charged it with reckless, wasteful and extravagant expenditure of public money.

More than that, it provides conclusive evidence that the Government's record has been at once economical, efficient and progressive.

TESTS OF A GOOD GOVERNMENT

In judging the record of any government there are three simple tests that should be applied, namely:

(a) Has the Government been honest, conscientious and sincere?
(b) Has the Government conducted the ordinary public services economically and efficiently?
(c) Has the Government handled the special problems of government in a satisfactory manner?

1. Has the Government been honest, conscientious and sincere?

Soon after 1921 the present Government initiated a system of accounting and auditing that is far in advance of other Provinces in Canada. The public is given the fullest information regarding every item of public expenditure. Party patronage has been eliminated and no election promises have been made that have not been carried out.

For eleven years the present Government has been honest, conscientious and sincere in the administration of the public affairs of the Province.

2. Has the Government conducted the ordinary public services economically and efficiently?

(a) Per capita taxation in Alberta has increased since 1922 the least of any Province in Canada.

(b) Per capita expenditure in Alberta has increased since 1922 the least of any Province in Canada.

(c) The Departments of the Attorney-General and Agriculture are being conducted this year for three-quarters of a million dollars less than in 1921, without impairing the efficiency of their services.

(d) In 1920 only 64.3 per cent of our schools operated for eight months or more. In 1930-31 98.3 per cent of our schools operated for eight months or more with every school manned by a trained teacher, while ten years ago hundreds of teachers were untrained permit teachers.
The system of equalization grants for poor school districts, initiated by the present Government, has made a marked improvement in the efficiency of our educational system.

(e) A well planned system of highways has been developed under the present Government which

has given the people an asset of real value for the money expended.

(5) Public health services have been carried on as efficiently as possible to meet the growing needs of the Province.

Anyone who will investigate the facts will agree that the ordinary public services of the Province have been conducted economically and efficiently under the present Brownlee administration.

3. Has the Government handled the special problems of government in a satisfactory manner?

In the settlements made by the Government, both for the sale of our Provincial Railways and for the return of our natural resources, terms were secured that far surpassed the expectations of both Liberal and Conservative opposition parties in the Legislature.

The special problems arising from the present depression, namely: the unemployment relief problem and the problem connected with debtor and creditor relations have been and are now engaging the attention of the Government.

The present Government initiated legislation setting up the Debt Adjustment Bureau to protect the debtor from unreasonable action on the part of creditors. Every assistance has been given, that lies within the power of a Province to give, to restore the basic industry of agriculture to a more profitable level. Realizing that the unemployment relief problem is a national problem, the present Alberta Government, in co-operation with other Western Provinces and municipalities, is striving to have the Federal Government assume its proper responsibility with respect to this problem.

Supposing we had a Conservative Government in power in Alberta today, would it be as free and independent as the present Government is to fight for the rights of the people of Alberta in connection with a problem of this nature, or would it not be handicapped by the fact that it would be but a branch of the Conservative party in power at Ottawa? Would the dog wag the tail or the tail wag the dog? Think it over before you vote to bring back the party system of government in Alberta.

Whatever your views may be on this side issue, the fact remains, that by all the tests that can be applied, the Brownlee administration has given good government to the Province of Alberta during the past eleven years.

The Government's Financial Record

Liberal and Conservative critics of the Brownlee administration make their public appeal against the Government on the following three main charges:

1. The Brownlee Government has increased the Public Debt since 1921 in an unwarranted manner.
2. The Brownlee Government is guilty of reckless extravagance and wasteful expenditure of public money.
3. The Brownlee Government has placed a burden of taxation on the people that is unbearable.

When opponents become void of sound arguments they become abusive. Hence we hear about "the spend-thrift crew at Edmonton who throw away our money like drunken sailors." "Kick 'em out! It's time for a change!"

The above charges may be a sweeping condemnation in vague generalities but they utterly fail to show in detail where the public debt should not have been increased, where in detail expenditures should not have been made and where in detail any of our present taxes could be abolished.

People are too serious in these days to take things for granted. They want the facts and here they are:

OUR PUBLIC DEBT

Our public debt is made up of three main parts, namely, the net bonded debt, the unfunded debt which includes chiefly temporary loans, and the indirect debt such as the guarantees of various kinds. For obvious reasons opponents of the Government in making comparisons, use only the figures of the net bonded debt as representing the public debt as it existed in 1921, and use two or all three figures above described as representing the present public debt. This is one of the most glaring misrepresentations used by the opposition, and is an old political trick. The following analysis shows the true situation:

	Dec. 31-21	June 30-32
Net Bonded Debt	$57,463,000	$134,009,000
Net Unfunded Debt	5,589,000	7,783,000
Indirect Debt	30,408,000	11,278,000
Total Public Debt	$93,460,000	$153,070,000
Increase since 1921		$ 59,610,000

The opponents of the Government are, therefore, misrepresenting the Provincial public debt to the extent of $24,000,000 when they use the figures as they do on the public platform. The debt has not increased $93,000,000 as they tell you, but only $59,610,000, of which $23,453,000 has been added since March 31st, 1931, due largely to the heavy demands for unemployment relief measures, relief work on highways, Wheat Pool guarantee, advances of various kinds and falling off in ordinary revenues. Here is an analysis of the increases to our public debt since 1921:

	Total Debt
Roads, Bridges and Ferries	$20,982,000
Public Buildings	7,696,000
Telephones	5,306,000
University	589,000
Lethbridge Northern Irrigation District	4,530,000
Wheat Pool	5,651,000
Debenture Issue (unused)	3,991,000
Unemployment Relief	4,481,000
Miscellaneous	11,088,000
	$64,317,000
Less Railways (reduction)	4,707,000
Net Total	$59,610,000

When the Liberals and Conservatives denounce our increases in debt, it would be well for the public to remember, that members of both these parties in the Legislature, have been in recent years advocating expenditures which, had they been granted, would have meant a very much larger increase in our public debt.

The Highways Debt

Over one-third of the total increase in debt is for highways and bridges. Will our opponents say that we have done too much in this regard, in the face of both urban and rural demands for a still better highway system? How could they, indeed, when members of both parties have advocated a $25,000,000 highway program? We have an up-to-date highway system, including 1,974 miles of gravelled roads, as compared

with 17 miles in 1921. Our highway system is now one of our greatest assets.

Railway Debt

Owing to the outstanding success in the sale of our Provincial railways, our public debt has been reduced since 1921 by $4,707,000 and will be reduced a further $19,080,000 when the final payments are received.

Debt for Public Buildings

Since 1921 we have been called upon to build a new Administration Building to house new services including the Lands and Mines department, which cost over $100,000,000. We completed the Institute of Technology in Calgary, which cost approximately $1,000,000. We have added dormitories to two Schools of Agriculture costing $500,000. We have had to increase the accommodation at our Mental Hospital costing close to $3,000,000. For eleven years not one word of criticism has been raised on the floor of the Legislature in connection with the increase in our public debt for public buildings and institutions. Opposition members have requested a sanatarium in the North Country for T.B. cases and increased accommodation in some of our institutions which today are crowded to capacity.

Telephone Debt

We have added $5,306,000 to our public debt since 1921 to provide service for 10,000 additional telephone users, necessitating an increase rural pole mileage of 5,000 miles. Liberal members in the North Country have repeatedly asked for extensions of our telephone service. Considering the fact that there was $20,000,000 invested in telephones in 1921, $5,306,000 is not an unreasonable amount to add to our debt during the past eleven years to provide for the annual demand for increased telephone service.

University Debt

A total of $589,000 has been required during the past eleven years to provide for the necessary extensions and equipment required by the University. Less money has been spent on our Provincial University during the past eleven years than on any similar University in Canada.

Lethbridge Northern Irrigation District Debt

This Irrigation project was organized on a gigantic scale by the former Liberal Government. It was under construction when the present Government took office. The present Government cannot be held responsible for the $4,530,000 added to our public debt to complete and carry on this project.

Wheat Pool Guarantee Debt

The addition of $5,651,000 to our public debt in connection with the Wheat Pool guarantee is not a charge on the ordinary taxpayer in any way. The Alberta Wheat Pool pays the annual interest on this part of our debt and will repay the entire principal within a twenty-year period.

Debenture Issue

This amount of $2,991,000 that appears in our public debt as at June 30th, 1932, represents funds in the hands of the underwriters of the debenture issue of 1,000,000 pounds that was sold in England early this summer. These funds are transferred to the Province from time to time to take care of the capital expenditure for the current year.

Unemployment Relief

The expenditure of $4,483,000 represents Alberta's share of the cost of unemployment relief which has been a tremendous burden on all the municipalities and Provinces throughout the entire Dominion. Of this amount $449,000 is recoverable from the Dominion Government. Will any of our opponents say that Alberta should not have taken its fair share of the financial responsibility for this tremendous problem?

Miscellaneous

The $11,088,000 charged to miscellaneous items includes advances for working capital; school district loans; normal student loans; guarantees of various kinds and advances to meet income deficits.

This itemized statement accounts for the increase in our public debt since 1921. The Government has repeatedly challenged its critics to show by specific items the amounts that should not have been added to our public debt. Until they do this they have no right to condemn the Government merely because the public debt is greater today than it was in 1921.

Our appeal to the public is to investigate the facts. Our total Provincial debt has not been unduly increased in the light of the problems and conditions facing all Governments during the past decade. No Province in Canada is in a sounder position today than Alberta. No wonder our opponents refuse to compare our financial record with other Provinces in Canada during the past eleven years.

HAS THE BROWNLEE GOVERNMENT BEEN EXTRAVAGANT?

The Government's opponents have been very free in their abuse of the Brownlee Administration for what they call its reckless extravagance in expenditure of public money. Let us investigate this charge.

Interest Charges

The first bill the Government has to meet annually is that for interest charges on our public debt. These are fixed and therefore uncontrollable. They have to be met. Our total increase in estimated expenditure since 1921 has been $6,543,000 and of this amount $4,787,000 is taken up in public debt charges.

Other Expenditures

There is left the amount of $1,756,000 as representing the increase in ordinary expenditure since 1921. This is almost entirely accounted for by the new services set up as a result of the Province assuming control of its own natural resources. There have also been increases for public health services, for highways, for education, but these have been largely offset by the fact that the Government has been able to effect an annual saving in government administration costs of more than $1,500,000.

The following table shows the increase:—

Details of Increase

Public Health	$ 799,308
Highways	319,000
Education	438,614
Miscellaneous	339,045
New Services	1,379,508
	$3,265,364
Reduction in administration costs	1,509,119
Net Increase	$1,756,245

Public Health $700,000

Take our Mental Institutes at Oliver, Red Deer and Ponoka. We are spending $428,412 more for the care of mentally diseased people this year than in 1921. Why? Simply because we have 1,701 patients today in these institutions as compared to only 907 in 1921. We have a staff of 486 at these institutions today as compared to only 187 in 1921. These institutions are crowded to the door and the staff is working to capacity. Will our opponents say turn these patients out and dismiss the staff and thus save some of this so-called reckless expenditure? No man would dare advocate such a policy. Therefore, there can be no criticism of this item.

The same applies to the Central Alberta Sanatarium for T.B. patients which is costing $223,680 more than in 1921. This institution is also filled to capacity. No one would ask that this work be curtailed.

Hospital grants have increased by $137,000 since 1921. Why? Simply because we have 90 approved hospitals today receiving a grant of 50 cents per day per patient. Reduce this grant and many of our hospitals would be unable to carry on. These three items for Public Health account for $789,202 increase in controllable expenditures that no one has criticized, except from the standpoint of not spending enough.

Highways $319,000

Now take our highways. We practically discontinued all municipal road grants this year and are only spending $319,000 more than in 1921 to pay for the cost of maintaining the extensive highway system that has been built up during the past ten years. I am sure every auto owner will say we have economized too much at his expense rather than not enough. There is not a member who has asked for a further reduction in this item.

Education $436,414

There are 1,367 more class rooms operating today in the schools of our Province than in 1921 and with the system of equalization grants that are enabling our weaker schools to operate, many of which would otherwise be closed, the cost of education is bound to be considerably higher than in 1921. The more difficult the times, the harder it is for many schools to carry on without increased government assistance. No one will say that we should reduce our expenditures on Education.

Miscellaneous $339,946

It costs $101,734 more to maintain the increased number of public buildings that have been erected since 1921. The noxious weed problem, assessment commission and other miscellaneous items make up the balance of this item.

New Services $1,379,000

Apart from services that were in existence in 1921, there are new services today that must be provided for. The new Lands and Mines Department has been reduced to a minimum cost of $564,617. Old Age Pensions will require $217,155; the Superannuation Act $135,000; University Hospital $90,000; Debt Adjustment Board $65,000; Health Clinics $31,000; Income Tax Branch $60,000; so on down to $50 for Soil Survey work.

We challenge our opponents to show wherein these expenditures, amounting to $3,256,364, are in any way extravagant or wasteful.

Administration Costs Reduced $1,569,110

From this total must be deducted the huge sum of $1,569,110 representing savings in administration costs of various departments. Further evidence of the present Government's record of economy are given in the following section:

SOME STARTLING ECONOMIES

Charges of reckless extravagance against the Brownlee administration come with very little real weight from members of the old-line political parties who are notoriously sponsors of the party patronage system, for any Government which operates under that system is particularly wasteful and reckless with the people's money when it comes to election expenditures, advertising patronage, road grants, fees to outside lawyers, etc.

The Brownlee administration, being a straight business administration free from the curse of party patronage, far from being reckless with public funds, have effected some startling economies, as the following comparisons will show:

An Answer to "Class Government" Charge

The Agricultural Department, in which it might be expected that the so-called "class government" of today would favor the farmer by huge expenditures, has effected perhaps the most startling economy of any department in the government service. It is spending annually now some $340,000 less than was the case in 1921, and, without crippling the services unduly, is carrying on with 116 employees instead of the 259 employees which were in the Department under Hon. Duncan Marshall in 1921.

The Department of Municipal Affairs is costing $154,000 less than in 1921.

The Department of Education is spending in administration costs $195,000 less than in 1921.

Answering Another Misrepresentation

The charge that the Department of the Attorney-General is using too many lawyers is answered by the fact that this item is costing $19,000 now as compared with $47,000 in 1921.

True, as the Liberal opponents of the Government state, the Attorney-General's Department paid $43,000 for outside lawyers in the prosecution of the charges against the firm of Solloway-Mills, but what the Liberal opponents fail to tell the public is that this prosecution brought into the Provincial Treasury some $250,000 in fines—not a bad return on the investment. This, by the way, is another example of the campaign of misrepresentation being conducted against the present Government.

Cost of Advertising

The expenditures in advertising were $81,166.11 in 1921. By 1922, the first year of the present Government, this item was reduced to $31,563.34, and by 1931 only $16,958.76 was spent on advertising.

Election Costs

Here again the Brownlee administration has been able to effect a substantial saving, as shown by the following items:

General Election, 1921	$252,800.40
General Election, 1930	155,864.81
Saving	$ 96,984.59

Recent charges have been featured in the press of the Province that the Reverdin Government in 1926

paid undue election costs in ridings where cabinet ministers were running. The following figures answer this charge:

	1930	1921
Cost in Edmonton	$13,419	$17,829
Cost in Vermilion	4,023	5,375
Cost in Lacombe	2,192	4,139
Cost in Camrose	2,536	3,039

Number of Employees Civil Service Permanent Basis

Number employed in August, 1921	2,561
Number employed in August, 1933	2,521

In spite of the drastic economies outlined above, the opponents of the Government, without giving any facts or figures, continue to level charges of wastefulness and extravagance against the Brownlee government.

Some Gentle Reminders

In this connection it might be well to provide a few gentle reminders to the public as to how affairs were conducted under the old Liberal administration, since it is our Liberal opponents who are so free with their charges of extravagance.

The Special Audit

Some of the evidences of how the old administration spent public money is contained in the figures given above, but the special audit in 1921 revealed some strange things. The Liberal opposition says the present Government spent $41,000 on the special audit without finding a single thing wrong. Let us see.

The cost of the audit was $41,000.

The audit revealed, among other things:

That a duplicate payment of $10,000 was paid by the liquor vendor for purchases of liquor.

That through laxness on the part of the former administration $400,000 was paid out for the terminals of the A. and G. W. Railway in Edmonton which cost only $240,000.

That $250,000 was handed out in special road grants which were in excess of the legislative appropriation, and for which no authority was given until after the work had been completed. (Another evidence of pure party patronage).

The special audit revealed lax administration in every department of the government, poor bookkeeping and in some cases no book-keeping at all by important branches of the government. Hopeless confusion existed in connection with seed grain and relief advances which, in many instances, were given to non-land-owners.

The audit resulted in an entire re-organization of the government auditing system, which today is recognized by auditing authorities as the best in operation in any Province in Canada.

Since 1921 the public tender system of letting government contracts has entirely replaced the party patronage system thus placing government operations in Alberta upon a sound business basis.

TWENTY YEARS TOO LATE

In 1913 Premier Sifton, speaking to the Young Liberal Club in Edmonton, said:

"We have had seven years of Liberal rule in Alberta and during that time, more money has been spent in the real interests of the people than in any other Province in Canada during a similar period.

"My Government feels that, even if we have to go into debt, we must keep up with the times, that our people are entitled to the best that can be done through the efforts of the Government. So long as the Liberal Government remains in power the money necessary to keep the Province in the forefront will be borrowed and spent and the credit of the Province pledged to the last dollar if necessary. That, said Premier Sifton, is the policy of the Liberal Government and it will be our policy for a number of years to come."

In 1913 the Liberal Government of this Province spent, exclusive of debt charges, $3,833,213 on public services. By 1921, a period of eight years, the controllable expenditures on public services had been more than doubled, reaching $8,665,522 when the Liberal Government was turned out of office. This represented a per capita expenditure on public services in 1921 of $14.74.

After eleven years of U.F.A. government rule in Alberta the estimated expenditure on public services, exclusive of debt charges, for this year (1932-33) is $9,845,647 which represents an increase in controllable expenditure of $1,180,125 compared to an increase of $4,832,309 in eight years under Liberal rule from 1913 to 1921.

The per capita expenditure on public services, exclusive of public debt charges, is $13.46 today as compared to $14.74 in 1921. There is no other Province in the Dominion of Canada where the controllable per capita expenditures are lower today than in 1921.

Yet the same Young Liberal Club of Edmonton which nearly twenty years ago applauded Premier Sifton for his policy of extravagance and his offer to pledge the Province to its last dollar, today condemns the most economical and efficient Government in Canada, as being wasteful and extravagant in public expenditures. The *Calgary Herald* in referring to the resolution passed by the Young Liberals of Edmonton says, "A disturbing factor in the situation is the apparent inability of the present administration to reduce expenditures which are controllable."

The following comparisons will prove that the charges of reckless extravagance and wasteful expenditure on public services made by the critics of the Brownlee administration are entirely unwarranted.

Alberta and Saskatchewan

The appropriations for income expenditures, exclusive of interest on public debt, in Saskatchewan in 1921 were only $321,046.00 greater than those in Alberta. The estimates for the current year 1932-33, exclusive of debt charges, and after a drastic reduction of over a million dollars in education alone has been made in the Saskatchewan estimates, show that Saskatchewan will spend this year on public services, $2,379,119.00 more than Alberta. In other words, Alberta which ten years ago, spent nearly as much on public services as Saskatchewan, is spending today over two million dollars less than its sister Province.

Quebec and Ontario

Members of the Liberal party point with pride to the long reign of Liberalism in the Province of Quebec, while the Conservative party is equally proud of its record in Ontario. We are told to look to these older Provinces of Canada for guidance in matters of public finance. The following information shows how Alberta compares with these older Provinces.

Exclusive of debt charges the Province of Quebec, during a ten year period ending June 30th, 1931, increased its actual expenditures on public services $26,258,000.

The estimated expenditures for Ontario on public services, exclusive of debt charges, this year are $37,585,932 as compared to $21,846,000 in 1921.

under a sound business administration, is spending only $1,240,491 more on public services than was actually spent in 1921, or $1,756,000 more than the 1921 estimated expenditures.

Investigate the facts before you condemn the Brownlee administration for reckless extravagance and wasteful expenditures of public money.

THE QUESTION OF INCREASED TAXATION

The opponents of the Brownlee administration claim that the Government has increased taxation since 1921 to the point where it has become unbearable. Through good business administration of Provincial affairs since 1921, revenues from existing taxation have increased to the extent that the Government has not found it necessary to increase taxation to anything like the extent that has been done in other Provinces of the Dominion.

The following statement gives ample proof of this:

Estimated Revenue 1932-33		$16,822,344
Estimated Revenue 1921		8,486,946
Increase		$ 8,335,398
Details of Increase:		
Gasoline tax	$1,800,000	
Income tax	1,374,000	
Liquor Act	1,374,245	
Auto Licenses	1,457,469	
Revenue Producing Assets and Refunds	1,208,193	
Fees	1,203,046	
Corporation and Company taxes	430,866	
Railway Mileage Tax	308,100	
Succession Duties	152,585	
Miscellaneous	220,396	
		$ 9,538,800
Decrease:		
Land and Property taxes	924,816	
Miscellaneous	278,586	
		1,203,402
		$ 8,335,398

We ask the tax-payers to name one new tax or one that has been increased that was not paid in 1921. Apart from the Gasoline tax and the Income tax there have been no new major taxes imposed on the people of Alberta since 1921.

Gasoline Tax

The Gasoline tax accounts for $1,800,000 of the estimated increase in revenue since 1921. This is the largest single item of increased revenue in Alberta, yet our gasoline tax of 5 cents per gallon is the lowest of any Canadian Province. Saskatchewan's tax is 6 cents and every other Province in Canada today is collecting a 7 cent gasoline tax. Our increase is due chiefly to the fact that our auto users are consuming five times more gasoline today than in 1921.

Income Tax

Our opponents fought vigorously against the imposition of the Income Tax in this Province. Again Alberta has the lowest Income Tax of any of the four western Provinces, which have adopted this form of taxation. The tax paid in each Province is illustrated by the following examples:

	Alta.	Sask.	Man.	B.C.
A single man earning $1,000 pays	$5.50	7.50	6.25	10.00
A married man without dependents earning $2,000 pays	8.00	10.00	12.50	20.00
A married man with two dependents earning $2,500 pays	5.00	9.00	10.00	22.00

Liquor Act

The increased revenue earned through the Liquor Control Board amounting to $1,374,245 is not a tax in any sense of the word. It represents the legitimate profits earned on the efficient handling of a business conducted by the Government.

Auto Licenses

The increased revenue of $1,457,469 from auto licences is not the result of increased taxation. The rate of taxation on the automobile user is exactly the same as in 1921, only the rebate of $5.00 comes earlier in the year now than it did in 1921. The increased revenue is the result of a sound investment in highways which has resulted in increasing the number of auto users in the Province since 1921 by approximately 60,000.

Revenue Producing Assets and Refunds

The increased revenue of $1,208,193 under this heading cannot be called increased taxation. It represents interest received from various investments, revenue from various institutions and refunds of various kinds.

Fees

The increased revenue of $1,203,046 under the heading of fees represents land titles fees, sheriff's fees, examination fees, marriage license fees, and fees of various kinds charged by the Government for protection and services rendered by the state.

Corporation and Company Taxes

The increased revenue of $430,866 under this heading is due not to increased taxation but comes from an increased number of new corporations and companies doing business in the Province. These taxes are in most cases based on the capital investment of the various companies. Alberta in the session of 1930 limited the tax to apply only on the amount of capital used by outside companies in doing business in Alberta. None of the Western Provinces have adopted this practice. Our opponents say that the class legislation of the present Government has kept capital out of the Province. The facts are that more capital has come into Alberta since 1921 for industrial and mining purposes than has gone into Manitoba and Saskatchewan combined. There was $120,000,000 more capital invested in manufacturing and mining in Alberta in 1929-30 than in 1921.

Railway Mileage Tax

Here again increased mileage of railways and not increased taxation has increased our revenue from the Railway Mileage tax by $308,100.

Succession Duties

Succession Duties show an increase of $152,585. Here there is a slight increase in the levy on the larger estates. However, no one has objected to this increase

because the tax is never paid until a person is beyond the point where he can complain.

Miscellaneous

Miscellaneous items of minor sources of revenue are included under this heading, such as the fur tax, pari-mutuel tax, electric power tax, etc.

Decreases in Revenue

Against these increases in revenue there is a substantial reduction in the one Provincial tax that all property owners pay, namely, the Supplementary Revenue Tax. The revised assessment of 1926 reduced this tax approximately 20 per cent. Land and property taxes produce $924,814 less revenue today than in 1921. The main reduction under the miscellaneous item is the abolition of the mine owner's tax.

Again we challenge the opponents of the present Government to show wherein the present administration has placed an unbearable burden of increased taxation on the people of Alberta.

GOVERNMENT GUARANTEES

In the massed attack upon the U.F.A. administration by Liberal and Conservative parties, one point of concentration has been the guarantees given by the Government for various purposes. A very determined effort has been made to create ill-will between city and country. It is characteristic of the methods used to this end that vitally important facts have been suppressed, and an entirely misleading impression created thereby in the public mind.

For instance, the Government is charged with having committed the Province unduly, because in 1931 the total amount of all guarantees and advances was $33,-397,987; the Government's critics failed to inform the public that this amount is actually over a million dollars below the total amount of such guarantees existing in 1921, the year in which the former Liberal administration went out of office. The figure at that time was $34,795,785.50.

Conservatives and the Railways

The opposition also fail to point out that the principal item in the guarantees ten years ago was $17,094,000 in respect to the northern railways; and of course they fail to mention the fact that the railways were salvaged by the U.F.A. Government, and sold at a price $4,000,-000 greater than the price at which the leader of the Conservative party advised them to sell. It would not serve the purpose of a political party which is eternally representing itself to be a devotee of "economy" and "efficiency", that if its recommendation had been adopted, the Province would be $4,000,000 worse off than it is today.

Much of the criticism of the opposition and opposition press has been directed against the Government's policy of assisting farmers' co-operatives by guarantees. They have failed to take note of the very important fact brought out by Premier Brownlee during the last session, that the Province has contributed more in grants to the coal industry, manufacturers' movements and Made-in-Alberta exhibitions than has been lost in guarantees to co-operatives and that is helping the co-operatives the Government was really assisting the farming population.

Guarantees to Co-operative Marketing Associations

Opponents of the Government have criticised the Brownlee administration for guarantees made to Co-operative Marketing Associations. Both Liberal and Conservative Governments for many years have guaranteed farmers' marketing organizations. The Associations involved in connection with the guarantees made by the present Government are Dairy Pool units, which are carrying on a successful and profitable business in spite of the abnormal conditions brought about by the depression.

The total of these guarantees, the first of which were made three years ago, amounts to $431,162.32. Already in spite of present economic conditions $82,-544.18 have been repaid leaving a liability under the guarantees of $348,608.14.

There is no question that these Associations are firmly established and will make their repayments to the Government in accordance with the terms of the Guarantee Act. These organizations have earned for their members in profits and reserves over a quarter of a million dollars which certainly justifies the assistance given to them by the Government.

Wheat Pool Guarantee

Opponents of the Government, especially Mr. Howson, have attacked the Government with respect to the Wheat Pool Guarantee.

Speaking in Cameron on September 9th, Mr. Howson said:

> "Premier Brownlee and his Government issued bonds of $5,649,000 to the banks to settle a debt of $5,537,000 and worse than that they issued bonds payable in New York funds. How can this overpayment of $112,000 be defended and this additional impost of paying out in New York funds?"

The facts in connection with the Wheat Pool guarantee are as follows:

The amount due by the Alberta Government under its guarantee was $5,536,707.40 and the settlement with the banks was made in the following manner.

Cash	$ 607.40
$5,649,000 4½% 20 year bonds payable in Canada and New York at $98 per $100	5,536,000.00
Making a total of	$5,536,707.40

This settlement was completed on November 25th 1931. At that time debentures of the Province payable in New York could be purchased at the market price to yield 5.62 per cent, while the settlement with the banks was made on the basis of 4.96 per cent. Had the Province 5½ bonds on the market to make its settlement they would have netted about $96.80 as against $98 accepted by the banks. The banks also agreed to accept payment of interest in Canadian funds on any bonds held by them until October 1st, 1932. It is unlikely that the banks will dispose of these bonds until the bond market has become normal and likely that they will continue to accept interest payments in Canadian funds.

Co-operative Credit Societies

Much criticism has been levelled at the Government in connection with Co-operative Credit Societies. These societies were first set up under the previous administration and up until December 31st, 1931, a total of $7,700,-847.00 had been loaned to the members of these societies with the guarantee of the Government. A total of $1,902,992.75 was outstanding at December 31st,

1931. Under the new Act passed at the 1931 session, provision was made for the consolidation of the subscribed capital of these societies, with a similar subscription to shares by the Provincial Government. The central organization is know as the Alberta Rural Credit Corporation. Adequate provision is made to take care of reserves required to offset any losses. The total funds in capital shares now amount to $317,-000.00. The entire interest earned on this amount is paid into a reserve fund and in addition 1 per cent of the interest charged on all loans is credited to the reserve account. All societies excepting Innisfree and Minburn are members of the central corporation. Owing to the abnormal conditions, both due to the depression and crop conditions, the Innisfree and Minburn societies are being liquidated. Apart from a small loss in connection with these two societies, it is fully expected that the Alberta Rural Credit Corporation will be able to reimburse the Government for any possible loss occurring in connection with any of the member units.

The public must take into consideration this important factor—that no organization doing a loaning business can carry on its operations without meeting a certain percentage of loss. Little criticism can be levelled at the manner in which these credit societies have been operated in the Province when compared to similar activities in other Provinces.

The Rural Credit Societies in Manitoba have written off the sum of $759,276.49 of principal and $349,707.28 of interest, making a total loss of $1,108,983.78. The total loans outstanding in Manitoba at May 30th, 1930, were $1,112,501.05 principal and $156,674.45 of interest. The total loans in Manitoba have been approximately $10,000,000.00. The cost of administration in Manitoba for approximately ten years was $299,000.00, as compared with $92,240.00 in Alberta.

Electors Approve Government's Record in Camrose By-election

Chester A. Ronning, U.F.A., Elected by 400 Majority—Member-elect Gave Strong Support During Campaign to Advanced U.F.A. Policies and Co-operative Commonwealth Federation.

On October 25th, in the second Provincial by-election held in Alberta since the U.F.A. administration was returned with a large majority for the third time in 1930, Chester A. Ronning, the U.F.A. candidate, was elected member for the constituency to fill the vacancy caused by the death of the late Hon. Vernor W. Smith. Mr. Ronning had a plurality of 547 on the first count over the Liberal candidate, who came second, and on the distribution of second choices was elected by the substantial majority of 400.

The electors thus gave a clear endorsement of the policies of the United Farmers of Alberta, of the record of the U.F.A. Government, and of a strong candidate, who throughout the campaign supported without reserve the advanced objectives which the Association has set itself to attain. These objectives were set forth in the ten-point Manifesto of the Edmonton U.F.A. Conference issued on Dominion Day, and in the program of the Co-operative Commonwealth Federation which was brought into being in Calgary on August 1st, at a joint conference of representatives of Farmer and Labor organizations from many of the Provinces of Canada.

The result of the first ballot in the by-election was announced by the returning officer as follows:

Ronning, U.F.A.	2,526
Westvick, Liberal	1,979
Layton, Conservative	1,191

The Final Count

The second count showed that 382 of Mr. Layton's supporters "plumped" for him, marking no second choices on their ballots; while 433 second choices were given to Mr. Westvick and 226 to Mr. Ronning, the final vote, which decided the election, being as follows:

Ronning	2,812
Westvick	2,412
Majority for Ronning	400

It was to have been expected that a U.F.A. candidate should show great strength in the rural polls, but an analysis of the vote shows that there was also a large town vote for Mr. Ronning. In the town of Camrose itself, he led in one of the four polls on the first count. Mr. Layton, whose main strength was in these four polls, had a total vote of 444 as compared with Mr Ronning's 352, a plurality of 92; while Mr. Ronning had 30 less votes in the town than the Liberal candidate. The victor also had pluralities over the other two candidates in twenty-three polls throughout the constituency.

CAMROSE

(From the Alberta Labor News)

The U.F.A. has reason to feel encouraged and gratified over the result of the Camrose by-election. With the two old parties concentrating on the campaign, throwing all their resources of men and money into the fight to wrest the seat from the farmers' organization, a U.F.A. candidate who is new to political life is successful by a comfortable margin of votes. It is a clear win for the organization Mr. Ronning represents, as well as a tribute to his own personal standing in the riding.

But it is more than that. From the very first Mr. Ronning has declared his allegiance to the principles of the new Co-operative Commonwealth Federation and the radical manifesto of the U.F.A. which was adopted in the early summer. Throughout the campaign the opposition, especially the Conservatives, whose candidate was at the foot of the poll, attempted to make all the capital it could out of the U.F.A. candidate's stand on the C.C.F. Mr. Duggan and his helpers held up the bogey of socialism to the electors and rang all the changes on the radical nature of the Federation's program. . . .

The U.F.A. and the Government, the Premier in particular, are to be congratulated for the vigorous campaign they conducted. The result should serve as an indication that with candidates who hold and express radical views, and who are prepared to stand or fall on the forward looking program of the organization, the U.F.A. will continue to wield a dominating influence in Alberta's political life. On the other hand, if Tory newspapers in the cities can frighten the Government and U.F.A. candidates into soft pedalling on the economic realities of our day, the end of the farmers' organization will not be long in coming.

If Mr. Ronning's utterances during the campaign are an indication of his attitude toward economic questions he will make a valuable addition to the U.F.A. ranks in the Legislature

a good attendance at their October meeting, at the home of Mrs. A. Ross; all the members enjoyed the discussion on first aid.

Warner: Have completed a very handsome tulip quilt, which was shown at a recent meeting; decided to show the quilt and raffle it, at the Warner Carnival; heard a good paper on legislation by Mrs. Conner.

Washaunsee: Discussed ways and means of raising funds for delegates' expenses, at their October meeting; one of the members offered to give a Christmas cake, which will be raffled; a series of social evenings will be commenced in November.

Westling: Are forming a circulating library to provide winter reading, each member contributing three books, with a librarian in charge; arranged a chicken supper and Hallowe'en party to raise funds; held a successful third-year bookstry course in July.

Willow Springs: Met at the home of Mrs. J. Everitt for their October meeting, when the bulletin from Central Office was read, plans were made for an oyster supper, and for the raffling of a quilt; Miss Bessie Marsh gave two vocal solos that were greatly enjoyed.

Winona: Entertained Sunnydale Local at Mrs. McCleod's house, music, a whist drive, roll call and a humorous monologue by Mrs. Thomas making up the program; gave a shower for Mrs. Mason's baby girl; arranged for a novelty dance on November 11th to raise funds.

Bourgeois: Held their regular meeting at the home of Mrs. Geo. Kuhl, presided over by Mrs. J. Ellert; arranged for the annual banquet, on October 22nd, at the home of Mrs. S. I. Harris; read and discussed the bulletin on health; enjoyed a contest on transposed words, won by Mrs. Davies, and a delicious hot lunch.

Turin: Following a discussion on ways and means of replenishing the treasury, decided to hold a moving picture show in the school house, as soon as arrangements can be made; heard a splendid paper on health by Carrol Carver; enjoyed a social half hour and lunch served by the lunch committee.

Rathwell: Are heartily in sympathy with the Co-operative Commonwealth Federation movement, and its program and objects; are holding meetings every two weeks, although attendance has fallen off somewhat owing to lack of cars and telephones; are paying dues out of funds in hand, and plan to hold a dance to make good this expenditure.

East Lethbridge: Completed the quilt they have been working on, at a special meeting at the home of Mrs. Giffen; at their October meeting, at the home of Mrs. M. A. Wilmot, heard an instructive address by Mr. Cameron of Lethbridge on legislation, and made arrangements for the fowl supper and dance held on October 21st; at an earlier meeting Mrs. Ober gave an interesting paper on immigration.

High River: Invited the various women's organizations of the town to a recent meeting, when Mrs. E. J. Thorlakson of Calgary gave an address on peace. Violin solos by Roy Cousins, accompanied by Miss Jean Clemens, and vocal solos by Mrs. D. O. Brown, accompanied by Mrs. W. M. Windsor, were greatly appreciated. Mrs. W. A. Lind presided, and Mrs. D. J. Bell introduced the speaker.

Beddington: Have held meetings recently at the homes of Mrs. John Fairweather, Mrs. Scott, Mrs. W. H. Evans, and Mrs. C. L. Beaton; those contributing to the programs were Mrs. C. L. Buchanan, who gave a paper on home economics, Doris Bonner, report of the Junior Conference; Mrs. E. C. Cookman, paper on immigration; Mrs. Hugh Sanderob, paper on arts and handicrafts, and Mrs. E. J. Pole, paper on legislation.

Bashaw: Are doing splendidly, in spite of the hard times; with the help of the program and bulletin the meetings have been interesting; held a dry-cleaning demonstration and a baby clinic during the summer; have raffled a hooked rug and served a supper; are planning a program, supper and sale of home cooking and novelties, to raise funds for sending a delegate to the Annual Convention.

Bawlf: Opened the season with a successful meeting and exhibit of fruit and vegetables; Mrs. M. L. Sears presided and called on Mrs. Newton for a report of the Olds convention. Interesting and unusual products exhibited included new varieties of tomatoes, ground cherries, vine peaches, chestnut beans, orange mulberry, huckleberries, musk melon, cantaloupe, coffee chicory, rocoselles, a crooked neck pumpkin weighing 14½ pounds, New Guinea butter vine, popcorn, white and green cucumbers, and crabapples.

Resolutions for U.F.W.A. Annual Convention

Proposed Summer Convention

Resolved, that the date of the U.F.W.A. Convention be changed to summer instead of January, the place of meeting to be the University of Alberta and the program on lines similar to the Junior Conference.—**High Prairie U.F.W.A.**

Health Certificates Before Marriage

Whereas, eighty per cent of the money allotted to the Health Department by the Province is used in caring for patients in the Provincial Mental Institutions, and

Whereas, this burden of the people is steadily increasing;

Therefore be it resolved, that we do herewith ask the Provincial Government to enact legislation making it necessary for persons seeking to obtain marriage licenses to first pass physical examinations before such licenses are granted.—**Sedgewick Constituency U.F.W.A. Conference.**

Music as Substitute High School Unit

Whereas, music is of practical value in life, and

Whereas, it is also of more cultural value than many units on our High School course, and

Whereas, at the present time only a standing in theory is allowed as a substitute for a unit and it is felt that an exam in practical music should count;

Therefore be it resolved, that a pupil who has qualified for the Junior grade under the Toronto Conservatory or Higher Division under the London Conservatory be allowed to substitute for an optional unit.—**Bow River U.F.W.A. Conference.**

Free High School Correspondence Course

Whereas, during the present depression it is financially impossible to send children away from home or to take a correspondence course to obtain a high school education, and

Whereas, lucrative employment is impossible to obtain for teen age young folks; and

Whereas, lack of high school education is such a serious handicap in the present day, and

Whereas, nothing is more detrimental to character forming than lack of definite occupation;

Therefore be it resolved that we ask the Department of Education to provide free a high school correspondence course. —**Bow River U.F.W.A. Conference.**

The U.F.A. Pattern Department

Two attractive patterns for the school-girl are shown below. Be sure to give your address, and size and number of pattern. The price is 20 cents each, postpaid.

718 644

No. 718—Sports Type. This style is designed in sizes 11, 13, 15 and 17 years. Size 15 requires 3¼ yards of 39-inch material with ⅞ yard of 35-inch contrasting.

No. 644—Smart School Frock. This style is designed in sizes 8, 10, 12 and 14 years. Size 8 requires 2¾ yards of 35-inch material with ⅞ yard of 35-inch contrasting.

(Continued on next page)

Seasonable Recipes

By AUNT CORDELIA

Savory Rice: Put on the fire and bring quickly to the boiling point 1 cup rice and 8 cups cold water; boil 3 minutes, drain and rinse in cold water, drain again. Add to the rice 1 cup strained tomato juice, 2½ cups chicken stock, ½ teaspoon salt, 1 small onion (sliced), 2 cloves, and 1 sprig of parsley. Cook slowly until the rice is tender, then mix in with two silver forks 1 cup of grated cheese and 3 tablespoons butter.

Boiled Chicken with Parsley Sauce: Cut a chicken into pieces for serving, and put to boil with a piece of lean salt pork, an onion stuck with cloves, several small carrots, and a little celery. When tender arrange on platter, slicing the pork; thicken the gravy with flour and butter, add chopped parsley, and pour over the chicken.

Macleod U.F.W.A. Conference

By MRS. A. J. BELL

The annual U.F.W.A. conference for Macleod constituency, held on Saturday, October 22nd, at Cayley United Church, was easily the best that has been held.

The morning session was opened with a good attendance to hear well presented reports from eleven Locals. Increases in membership were announced, and accounts of some enterprising programs interested everyone. Mrs. Dwelle, constituency director, who presided, reported on her year's work in the Locals. Mrs. Linn, of Brant, welcomed the delegates, and Mrs. M. L. Sears, of Nanton, replied.

A demonstration of carding and spinning of wool by Mrs. Christofferson, of Brant, created great enthusiasm. Mrs. Sears related how she had bought raw wool at a cent a pound, and, after washing and fluffing it out, had a comforter filled for five cents.

The handicraft exhibition was a great success. Every foot of the walls of the Hall was lined with beautiful quilts, afghans, and rugs; and a varied display of other crafts was arranged on the platform. A picnic lunch in the hall was enjoyed at noon.

One of the resolutions discussed in the afternoon asked that the vacant agricultural schools of Alberta be used as training centres for the younger unemployed men this winter. The Co-operative Commonwealth Federation was commended. The possibility of starting small woollen mills was referred to the Provincial Executive; co-operative buying was also discussed.

Fraternal greetings were brought by Mrs. Galbraith, Vulcan, from the Women's Institutes, and by Mrs. W. Carson, of Calgary, from the Women's Section of the Labor Party.

Mrs. A. H. Warr, Provincial President of the U.F.W.A., spoke on "The Challenge of the Present Situation," urging that a newly ordered civilization was the only way out of the present economic chaos. Mrs. Norman Priestley, of Calgary, gave an interesting survey of the work done by the girls' residential club in Calgary for unemployed girls.

Social intervals were in charge of the young people. Helen Burnett, Nanton, gave Scotch and Irish dances, the music being supplied by Roy Cousins, High River, on his violin. He also played a violin solo. Miss L. Chaffee, Cayley, gave two humorous readings. Mrs. Walker led the Cayley Local in singing a "Song of Welcome." A short talk on "Music in the Schools," by Mr. G. Bowers, Calgary, was much enjoyed.

The hall was packed for the evening session. Ministers of the United and Presbyterian churches spoke briefly. Mrs. Wickens, president of Cayley Local, gave a thoughtful address on education. The meeting heartily welcomed Mr. Norman F. Priestley, Vice-president of the U.F.A. He outlined the growth of the organization and said the present crisis found them working at full strength and in a good financial position.

Votes of thanks were passed to the hostesses—members of Blackie, Brant and Cayley Locals—for the splendid supper they had served, and to all who had made the day such a success.

U.F.A. Junior Activities

Watchword: SERVICE *Motto:* EQUITY

University Reading Course

As the evenings begin to lengthen, more time will be available for reading. Not only is reading good books one of the most fascinating of pastimes but it is one of the greatest means for self-education.

For some years past, the Department of Extension of the University of Alberta, Edmonton, has conducted, during the months of winter and spring, a reading course for farm young people. These reading courses have been closely linked up with University Week for Farm Young People, have been, to some degree, a preparation for that week; definitely so in the case of those boys and girls who were planning to compete in June for the scholarships offered by the Minister of Agriculture. Two scholarships are offered, one to the boys and one to the girls who come to Edmonton for University Week in June. Each scholarship consists of a term, including tuition, board and room, at one of the Provincial Schools of Agriculture.

To compete for one of these scholarships, it is necessary to read the books which are described below during the winter months, and in June, when you come to the University, a short test will be given you to find out how thoughtfully you have been reading. A test will also be set on the lectures which you will attend during University Week, and the scholarships will be awarded to the boy and girl standing highest in these tests. The scholarships are offered to farm boys and girls between the ages of 16 and 24 who have not already attended any of the schools of agriculture.

Even if you do not expect to compete for the scholarships, we hope you will take the reading course. Individuals as well as Locals as a whole are eligible to do so. The books on the course are the same as last year, as they were suggested by the times and the particular conditions under which we are living. They have been chosen with a view to unity; thus giving those who have more time to read, or who read faster, or who are keener on the subject, an opportunity to read around it and from time to time supplementary titles will be suggested for such readers.

Few periods of history have provided such rich material for novelists as the nineteenth century with all its social, economic, political and religious changes. After a good deal of thought, three novels were selected, one picturing provincial life in England at the beginning, the other two life at the middle, of the century. These are: "John Halifax, Gentleman," "Alton Locke," and "Hard Times."

Those who compete for a scholarship are required to read the history, the biography, and two novels, one of which must be "John Halifax Gentleman."

There are a limited number of books to be borrowed on application to the Department of Extension, University of Alberta, Edmonton, but we strongly recommend that when possible the books be bought.

Books to Read

"Outline of Industrial History," by Edward Cressey, $1, published by Macmillan, Toronto.

"Queen Victoria," by Lytton Strachey, $1, published by Chatto and Windus, London, England.

"John Halifax, Gentleman," by Mrs Craik, 50 cents, published by Collins, London, England.

"Alton Locke," by Charles Kingsley, 50 cents, published by Collins.

"Hard Times," by Charles Dickens, 50 cents, published by Collins.

One Way to Promote Junior Welfare

Dear Juniors:

Before any organization can function at its greatest capacity, it must have the mental, physical and moral support of every member. With this in mind we should endeavor to improve ourselves and simultaneously our organization.

Let us compare our organization with a threshing outfit. If the oil man is tardy, the engineer and separator man incompetent, or if the bundle haulers are late, the whole outfit is delayed; hence the importance of every one being reliable and capable. This also applies to our organization. We can retard the progress of our organization by being inefficient and heedless. On the other hand we can hasten the advancement by enthusiastic and proficient execution of any duties we are given to perform.

Let us consider a few ways by which to improve our personal equipment.

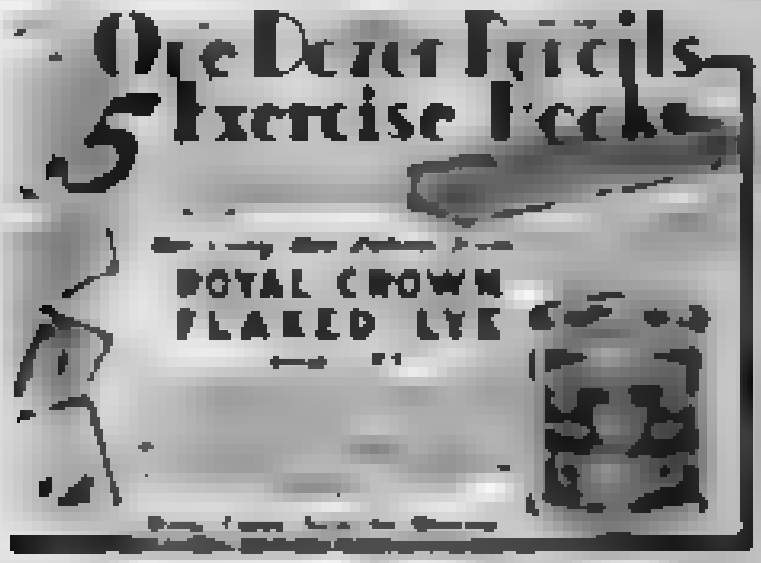
We could enlarge our mental capacity by intelligent reading of good books. Intelligent reading consists of making deductions, ascertaining what the author is trying to convey, and by looking up in a dictionary the meanings of words we cannot define; by participating in debates, plays, essays, etc., and by doing as much research work as possible in these undertakings.

We can improve our physiques by participating in the various healthful outdoor sports and indoor recreations.

A just moral standard is equity, honesty and philanthropy in all our actions.

By giving conscientious attention to these three important elements of our

EDWARDSBURG
"CROWN BRAND"
CORN SYRUP


One Dozen Pencils
5 Exercise Books
ROYAL CROWN
FLAKED LYE

Experienced
BANK OF MONTREAL

The Canadian Banking System and the Relation of Money and Credit to the Economic Cycle

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ren to the deposit ledger and see if we had $5,000 there. We said to him, 'What security have you to offer?' And if the security were satisfactory, we would credit his account on the ledger with $5,000. We didn't go to the vault and get money and hand it to him over the counter. Of course there is some money in the vaults, but 90 per cent of the loans are drawn out by cheques. Cheques would come in, and be debited to the client's account and credited to the other man's, either in our bank or through the clearing house. That was $5,000 new money put into circulation; and at the time his note was due he had to repay $5,000 and interest and thus, were wiping out his account, deposits would be reduced by the amount of the interest, somewhere else.

"The Right Hon. Reginald McKenna has said, 'Every loan creates a deposit, and the repayment of that loan cancels a deposit by an equal amount.'

Not Somebody's Savings

"If a loan is not repaid, the bank simply sells the securities. That $5,000 was created; it was not somebody's savings. It was security that created the possibility of the loan of credit drawn out by cheques. That is the biggest privilege that the banking fraternity have.

"If you were foolish enough to try to make a coin, and if you were caught doing it, you would be liable to a very severe punishment; but new money can be put into circulation by the hundreds of thousands by the extension of credit and nothing said.

How Banks Get Notes

"Banks can get notes in three ways: first, from the issue equal to their paid up capital; second, from September to February they can issue an amount equal to 15 per cent of their paid up capital for which they pay the Government 5 per cent; and they can take various securities to the Treasury Board, under the Finance Act, and secure Dominion notes, paying up to 5 per cent. During the last year I found the banks had taken advantage of this privilege to the extent of $282,000,000, and the charge was 2 per cent under the Finance Act.

"I had introduced a bill asking that the Provinces of Canada should have the same privilege as the banks in using the Finance Act in this way. The four Western Provinces were hard hit financially, largely owing to the great unemployment problem, and they are limited in the way they can finance; they have only two means of financing, through taxation or through borrowing. The bond market was closed for a time; the banks shut down as closely on them as on individuals; prices were so low that taxes were not coming in—so they applied to the Federal Government. The Federal Government helped them out by taking Provincial bonds as security (the same security as they might have got from the banks) and issued over $20,000,000, charging 3½ per cent, not 2 as they charged the banks. The Federal Government makes use of the banks, borrowing to the extent of $42,000,000, and paying 4 or 4½ per cent interest.

"There is another absurdity," said Mr. Spencer, referring to the "extraordinary position of the Government which, having bonds due, met some by cash and the balance from the banks. Their treasury bills have as low a rate as

(Continued on page 36)

Use our money orders

When you pay a small bill use a Bank Money Order. This method is safe and economical.

Tellers at any branch of the bank will gladly sell you Money orders.

IMPERIAL BANK OF CANADA

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Capital and Reserve $15,000,000

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230 BRANCHES THROUGHOUT CANADA

100 MEN AND WOMEN WANTED

WANTED—Energetic apprentices for good pay, steady, pleasant, indoor work. Barbering—Permanent Waving—Thinning, etc. Also real opportunity for men. Beginners in Electricity—Gasoline—Auto Mechanics—Battery Repairing—Welding—Chauffeurs—Aviation—Radio, etc. Write or call for full particulars and free literature.

MODERN UNITED TRAINING SYSTEM 290 ALEXANDER AVE. WINNIPEG, MAN.

Associated shops: Calgary, Edmonton, Regina, Saskatoon, Vancouver.

26 Lives Lost in Alberta By FIRE

THIS WAS THE TOLL OF HUMAN LIFE IN 1931

Added to this was—

Property Loss totalling more than.....$2,000,000

Forest Fire Loss totalling more than.....$ 600,000

HELP US FIGHT THIS GREAT PUBLIC ENEMY

SOME OF THE CAUSES:

A Neglected Camp Fire.
A Settler's Clearing Fire.
A Carelessly handled Burning Straw Stack.
A Lighted Match Heedlessly Flung.
An Improper Use of Gasoline and Kerosene.
A Yard or Building Full of Rubbish.

These and many other causes result often in loss than small and loss and do untold property damage.

Issued by the

GOVERNMENT OF ALBERTA

Forest Service Branch, Department Lands and Mines. Fire Commissioner's Office, Department of the Treasury.

U.F.A. Veterans' Section

AN ARMISTICE DAY MESSAGE

"If the dead could be recalled, nothing would cringe them like the fact that we still talk and think and live in expectation of another war."—G. Ward Price, in the Sunday Pictorial.

Dear Comrades:

Do you realize that we shall soon celebrate Armistice Day for the fifteenth time? Fourteen years since the "war to end war" ceased, and where do we find ourselves today?

The ranks of those who remember the horrors of the Great War are getting thinner and thinner, each year as so painfully many of our comrades answer the Last Post. A new generation that knows not the hell of war gradually taking our places—our sons growing up to the age that makes such tragic cannon-fodder.

Are we drifting towards another war? Heaven forbid! but—look at the Disarmament Conference. Is there any sincere desire being shown to disarm? Japan proclaiming her intention of gratifying her nationalist aims to the full; The U.S.A. denouncing Japanese policy and moving her fleet from the Atlantic to the Pacific. Major-general J. F. C. Fuller, recently Military Secretary to the Chief of the Imperial General staff, says "War faces us today just as grimly as ever." Pictures in the newspapers of newer and faster tanks, aeroplanes, submarines and all the grisly paraphernalia of war. People in high places hinting that another war would at least be the salvation of the present economic system.

Comrades, is the present economic system worth saving—even at the expense of one single life?

Think back eighteen years. A national emergency! To the last man and the last dollar! A never-ending stream of money and credit poured out on the altar of Mars.

And today? Perhaps more mental torture (without the solace of patriotism) than during the whole of the war years. Starvation, want, the degradation of an unplaced generation of youth—but THIS is not a national emergency!

When the world is quivering with the birth pains of a new social order our so-called statesmen meet at Ottawa AND BARGAIN OVER TARIFFS!

Comrades, there is work for all of us these days if we are going to "carry on the torch." The world is not yet safe for democracy, nor will it be until we have replaced a greedy, haphazard profit system for one the keynote of which is Co-operation.

"If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders's fields."

Surely this message of John McRae's is just as potent today as it was the day it was written.

N. V. FEARNEHOUGH.

Morin, Alta.

Then and Now

Nineteen-nineteen: J. S. Woodsworth, Winnipeg Labor, despised and rejected of men, strike leader, virtual outlaw, jail-bird. 1932: J. S. Woodsworth, M.P., visiting lecturer at the Alberta School of Religion of the United Church of Canada, honorary president of the League for Social Reconstruction, lecturing on "Our Highway to a New Social Order." Is any comment needed? Woodsworth has consistently held to his one ideal from that moment when he was compelled to make his choice between respectability in the church and a precarious position as spokesman for the under-privileged. Civilization is catching up to Woodsworth. Today his theories are recognized as leading to a higher social order without the necessity for a reign of terror—A.F.K., in *Drumheller Mail.*

Quarrelling Who Should Be Starved First

"It is hard to convince a world brought up under pauper conditions that not only is plenty already available for everybody, but there is no visible end to it. 'Cornucopia after cornucopia arises.' There are retired colonels today, masquerading as financial experts, who declare that the war impoverished us by destroying capital, and the world must work and save to replace it. Defining Capital as the material means of Production, it can safely be said that thanks to the impetus given by the war to invention, the world and ourselves ended the war very much wealthier than we entered it. Such is the relentless character of the rising tide of potential plenty, indeed, that even the multiplication of the unemployed during this period of Egyptian depression can no more mop it than Canute the waves. In the Westminster Bank's Monthly Review, a writer points out that the world is today better equipped for the production of wealth than at any other time in the whole of known history. Between the years 1924 and 1929 the world's steel production increased by 54 per cent, copper by 47, lead by 23, tin by 27, wool by 20, rubber by 103. The output of the manufacturing industry of America in the same period rose by 26 per cent; of Canada by 62, Japan by 44, France by 27, Germany by 42, Great Britain by 16. In the three years 1926-1929, the production of electrical power alone rose in America by 33 per cent, in Canada by 50, in France by 56, in Japan by 43, and in Great Britain by 49. These facts point to a phenomenon as significant as the approach of an Ice Age, and apparently as inexorable in its march. That in face of a swiftly multiplying superabundance, the inhabitants of the planet should be quarrelling who should be starved first, is a spectacle the like of which only a Frazer familiar with the superstitions of ape-men could parallel. The *mot juste* (correct word) for the intelligence that squeals for economy today is bestial."—*New English Weekly.*

News from the Head Office of Alberta Livestock Pool

Information for Members of Canadian Livestock Co-operative (Alberta) Ltd.

By WILLIAM YOUNG, Manager

The advice given several weeks ago in respect to the future trend of livestock prices has been fully substantiated in the past two weeks, as all markets have receded to lower levels, and it has been extremely difficult to move some of the offerings even at the lower figures, and if the liberal receipts in view come along, we cannot see any bright spot on the immediate horizon. Great hopes have been held out as to the future, especially in hog production, on the presumption that the quota obtained from Great Britain at the Imperial Conference will supply us with an outlet for our surplus and a more equitable return to the Canadian producer.

Now I have no wish to throw cold water on any project where there is a possibility of improving the conditions now prevailing, but I personally cannot see where the farmer would be justified in making any outlay in the direction of purchasing breeding stock or increasing his production on the basis of the hopes held out by the quota. In the past hopes have frequently been held out in one way and another by the Dominion Government, which have led many farmers to expend money that they could ill afford, in expectations that have only proved illusions. On the face of facts, this is only another political mirage. True we will have an outlet for our surplus, but what will that avail if that surplus is still to be produced at a loss.

Here are the conditions of the bacon market in Great Britain for the week ending October 13th: Canadian bacon is quoted at 50 shillings per long cwt., which is equivalent to 8.62 cents per lb. at the current rate of exchange. To export on this basis, hogs would have to be bought in Toronto around $3.20 per cwt. on basis of bacon. Canadian cattle sold off the S.S. Vardulia on October 13th at an average of 3¼ pence per lb. live weight, the equivalent to 5.46 cents per lb. at current exchange, which would mean $4.10 per cwt. Toronto.

The contention of course is that by Canada having free entry to this market and a tariff placed against other countries such as Denmark, Old Country prices will be raised and the Canadian producers will benefit. The question is how much will they be raised? Or to put it in another light, how much can they be raised?

We must realize the fact that the buying power in Britain is no greater than here in Canada, and a rise in price would only curtail the consumption. On top of this, any Government measures put through that will raise food prices to the consumers, under conditions prevailing, will have short shrift. Therefore, looking facts squarely in the face, we cannot see where farmers would be justified in going to any expenditure in the hope that prices will be re-established on the basis of the quota. The canker is too deep seated, and it will take more than an aspirin tablet to clean the system.

Hubby (at the races)—Let me back one more horse. I promise you it'll be the last.

Wife (gloomily)—It usually is.

"What will the girl of eighteen be in ten years' time?" asked a critic on the platform.

"Twenty-one," promptly replied a voice in the audience.

Cost of Production of Wheat

Records kept by the Dominion experimental farms and illustration stations for many years have supplied the basis for a very useful and readable bulletin, "Cost of Producing Farm Crops in the Prairie Provinces," by E. S. Hopkins, J. M. Armstrong and H. D. Mitchell. The authors make use of a large number of tables which set out their conclusions in easily comprehensible form.

After a chapter explaining their methods of calculating, the authors give summaries of the costs of producing various crops on the Dominion experimental farms on a summerfallow, wheat, wheat rotation. During the period 1923-30, Lethbridge averaged the lowest cost per bushel of wheat—37 cents, and Indian Head, with 81 cents, the highest. Itemized statements of costs per acre, yields, etc., are included.

The cost of producing a bushel of wheat, at 31 illustration stations in the Prairie Provinces, for periods varying from two to eight years, is given as 63 cents; this was where the land had been summerfallowed the previous season. In fields cropped with wheat the previous year, the average cost at the 22 Saskatchewan and Alberta stations was 78 cents.

Results of a survey of the cost of producing wheat on 13 privately owned farms, of different sizes and with varied equipment, gave an average per bushel cost of 78 cents, after summerfallow, and $1.12 after wheat.

Estimates are given, in detail, of production costs on farms of one quarter-section, half-section, section, two sections, and three sections; further sub-divisions are made on the basis of equipment. The authors find a three-section farm, using 2 men, 20 h.p. tractor, combine, and truck, gives the cheapest production —51.1 cents per bushel. The equipment is estimated to cost $6,560. On a quarter section farm, with equipment costing $1,735, the cost per bushel is shown as $1.02.

Other chapters deal with farm machinery operating costs, the farm tractor, costs of harvesting with binder and separator as compared with the combine, as well as a good deal of miscellaneous information relating to wheat. Incidentally, it is interesting to note that Canada is shown with the highest average yield per acre of exporting countries—17.8; United States, 14.5; Australia, 12.6; India, 11.3; Argentine, 11.1; and Russia, 10.1. The date of this table is not given. For the period 1919 to 1931, Alberta leads the three Prairie Provinces with an average wheat yield of 18.4 bushels; Manitoba averaged 16.3 bushels during the same period and Saskatchewan 16.

The bulletin can be obtained from The King's Printer, Ottawa.

Many a Frenchman who was killed by a German aerial bomber would, no doubt, have died happier had he known that the efficiency of the German Zeppelins had been increased by the use of aluminum from France, and many a German patriot would have been equally pleased to know that the French aeroplane which was to drop a fatal bomb had been enabled to carry out a raid by reason of German generosity in supplying the French with magnetos.

In China the wheat crop is smaller than last year in those districts involved in the foreign trade in wheat and flour.

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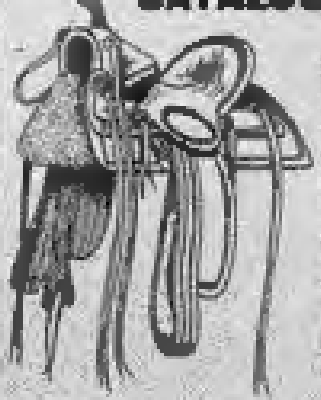

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CANADIAN BANKING SYSTEM

(Continued from page 23)

4½ per cent. The banks had the privilege of taking these same treasury bills back to the Treasury Board and getting Dominion notes for them, and the Government charged the banks ¼ per cent less than the banks charged the Government. When I raised the question, the Finance Minister said, 'Of course, we have to give them something for the service they give us, and ¼ per cent is not very much!' Of course, ¼ per cent on $42,000,000 is a mere bagatelle!

Should Lend—Not Borrow

"The Federal Government should lend and not borrow. When the Assistant Deputy Minister of Finance was before the Banking and Commerce Committee in 1924, I took up with him the question of the difference between a Dominion bill and a Dominion bond. I said, 'I suppose you will admit they are both debts of the Dominion Government, and both printed on paper?' 'Yes. . . .

. . . 'The main difference then would be that the bond carries interest and the Dominion bill does not, as far as the taxpayers of Canada are concerned?' 'Yes.' 'Would it not be more beneficial if the Dominion Government issued more Dominion bills and less Dominion bonds?' In 1924, also, the Deputy Minister of Finance was called as a witness, and one of our Alberta Members said to him, 'I understand that under the Finance Act that a bank can take a Dominion bond to the Treasury Board and get Dominion notes for it, for ascertain-small interest rate?' 'Yes.' 'Well, why should not the Government of Canada take the same bonds to the same Treasury Board and get the same service?' 'Well,' said the Deputy Finance Minister, 'that would be bad banking.' 'Why?' he was asked later. 'Oh, well, if I did that the Finance Minister would fire me.'

"The secretary of the Bankers' Association said he was sorry indeed to hear that question asked, and added, 'We could not allow it to be done.'

"There is a proviso that banks do hold large sums of notes—which can be considered as nothing but paper until they are handed over the counter—then they become money.

Lobbying of Banking Interests

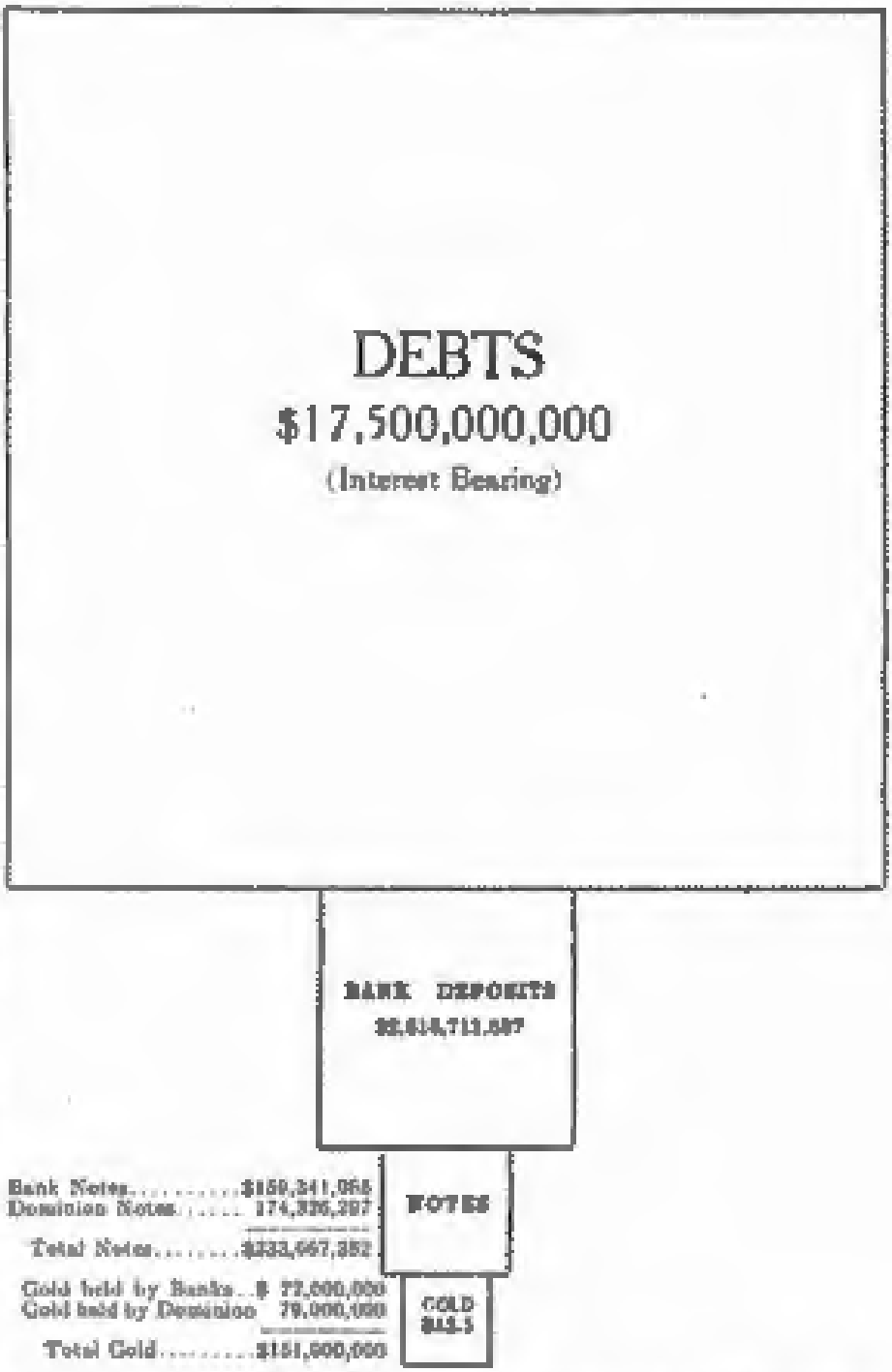
"With these privileges, you will not be surprised to know that when the Bank Act comes up for revision the House is very heavily lobbied indeed. The amount spent by the banks of Canada to try and put the Bank Act through as they wanted it was a little over $90,000 in 1923. (It passes for a period of ten years and then comes up again for revision. It is due to come up again in 1933). They had three of the biggest lawyers in Canada lobbying for them at that time. You know, the banking fraternity have no politics. They employed first, Sir Thomas White, Conservative, of Toronto; and Mr. Geoffrion of Montreal, a leading Liberal; then, to round it off nicely, a Mr. Bimon, who had Progressive tendencies. These men were paid $20,000 each, plus expenses. They paid $10,000 for the writing of a 24-page pamphlet to combat what we were trying to tell the public about their business.

The Unstable Measure of Value

Discussing the relation of the banks to the present crisis, Mr. Spencer said that "as a measure of value money has no stability at all. Other standards of measure never change. If you borrowed $100 three years ago you have to pay back today $100 that is worth $300 of goods. It is as if you had borrowed 20 yards of cloth and the man asked you to pay back 60 yards. Money today on account of its manipulation is very dear, and this makes goods very cheap indeed. That is the unsatisfactory part of the money business. Money should be nothing more nor less than a means of exchange. Lord Melchett says that, 'contrary to the general opinion, we are not poor, we are rich, and getting richer every day and every year. In goods and services, the things that people live by, we are rich.' Money is not wealth—you cannot live on gold. Melchett says, that 'both in Britain and in the world at large, we are definitely richer than we were in 1929. Unfortunately the system under which we live does not allow us to reap the benefit. We must learn to think not in terms of money but in terms of goods.'

"And Churchill, the man who was the

CHART No. 1—THE INVERTED PYRAMID

Canada—1931

(See explanation on page 35)